

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – WINTER 2016

Subject Code: 2830014

Date: 02/01/2017

Subject Name: Retail Operations (RO)

Time: 02:30 pm to 05:30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 MCQ **6**
(a)

When retail store develop their own in-store brands, it is known as _____

1. A Private labels B Retailer's product
C FMCG product D Finished goods

A retail _____ represents the total bundle of benefits offered to consumers through a channel of distribution.

2. A Product B Value Chain
C Service D SCM

Which one of the following is **not** a type of Trade Area

3. A Primary Trading Area B Secondary Trading Area
C In-direct Trading Area D Tertiary Trading Area

_____ is a strategy adopted by retailers who continually price their products lower than other retailers in the area?

4. A Odd Pricing B Multi-Unit Pricing
C EDLP (Every Day Low Pricing) D Multiple Pricing

_____ is the retailer-supplier process of managing categories as Strategic Business Units(SBUs), producing enhanced results by focusing on delivering consumer value?

5. A. Vendor Management B Category Management
C. Inventory Management D Product Management

Which one of the following is **not** a Common Error , in creating display in the retail supermarket?

6. A. Clutter B Lack of theme
C. Colour dominace D Too many props

Q.1 (b) Short / Definition Questions **04**

1. Inventory Turnover Ratio
2. Mannequins
3. Planogram
4. Aesthetics of retail store

Q.1 (c) What is a Private Label? Why do retailer develop Private label brand? **04**

Q.2 (a) What is retail and what is its role in Marketing? What are the functions performed by the retailer? **07**

- (b) Has India really reached the growth stage in Retail? What is the strategy that needs to be adopted by the retailers to ensure that they succeed? 07
- OR**
- (b) Explain the concept of retail life cycle and discuss its applicability in the Indian context? 07
- Q.3** (a) Explain the classification of retail formats? 07
- (b) Comment on this statement: "A competitive retail sector, facing an uncertain economic future, is being challenged by consumers to compete for their business. In this environment, only the fittest and those really listening to what their customers really want are likely to survive". 07
- OR**
- Q.3** (a) Explain the retailer's strategic planning process? 07
- (b) You have been appointed as the retail operations manager of a retail organization. Your parent organization is looking for a new area for opening new branch. What steps you will follow for analyzing the new location? 07
- Q.4** (a) What is the retail pricing strategy? Explain 07
- (b) Explain the category management process of a grocery supermarket? 07
- OR**
- Q.4** (a) Explain the human resources function in retail? 07
- (b) "Visual merchandising enhances the store image", support this statement. Explain the tools for store image? 07
- Q.5** **Case Study** 14
- Fresh ideas in Grocery store Layout**
- Research conducted by the faculty at the Wharton school at the University of Pennsylvania tracked and studied consumer's behaviour as they were food shopping. The study was conducted at a West Coast supermarket where the bottoms of grocery carts were equipped with radio frequency identification(RFID) devices that allowed the travel pattern of individual shoppers to be recorded. The RFID tags helped to track how long customers spent shopping, where they went in the store, and how many items they purchased.
- The results of the study showed that shoppers move through the store in a different way than retailers had expected. People do not weave sequentially up and down through every aisle but instead move in a clockwise direction, stick to the parameter of the store, and skip entire sections. Therefore, many customers never see merchandise in the center of aisle, and end-of-aisle displays are especially important promotional tools.
- More time should be spent on store layout in the grocery store industry to meet shopper's needs and purchasing patterns. Customers are making more quick trips to the food store. They are deciding what to serve for the dinner on the way home from work and only purchasing what they need for next

day or two. The once-per-week stock-up trip, which takes 55 minutes or more, accounts for only 10 percent of all grocery visits.

Based on the Food Marketing Institute's annual "U.S. Grocery Shoppers Trends" report, Americans go to food stores on average 2.2 times a week. Nearly two-thirds of shoppers visit the grocery store three or four times per week. On average, each U.S. household spends \$92.50 per week at the food store. More than half of those surveyed shop multiple channels, including discounters and warehouse club for groceries. The report also found that 54 percent of shoppers make a list. Lastly, younger shoppers felt that self-checkout is an important feature when selecting a food store.

Grocery retailers have seen the following key trends affecting the industry, which call for related improvements in the store:

- Time-strapped customers – grouping items together, offering meal solutions, and improving checkout for speed and convenience.
- Competition for Customer loyalty- offering bonus programs and private-label brands
- Increased pressure from discounters- differentiating the store on benefits other than price.
- Growing interest in nutrition – providing health information, fresh produce and meat, and organic options
- Internet shopping – giving technologically savvy shoppers the opportunity to place orders and shop online.

Discussion Questions

1. How the supermarket that you shop at most frequently is laid out? Describe the store's entry, departments around the perimeter, dry goods, frozen foods, special displays, and checkout.
2. Based on the information in the case and your own shopping behaviour, what store layout and design features would improve the supermarket and make the experience more enjoyable and convenient for shoppers and more profitable for retailers?

OR

Q.5

Case Study

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Borders Bookstore : A Merchandise Display Problem

Michael Chaim, general manager of the Borders Bookstore in Madison, Wisconsin, was proud of his store. Located in a city that has one of the highest levels of book purchases per capita, Chaim felt Border's selection, services and location near the 40,000 – student university served the community well. Even with competitive pressure from the newly opened Barnes & Noble on the west side of the town, his bookstore/café was often a busy place.

Chaim was taken aback when an article in a widely read alternative newspaper criticized the bookstore's merchandise arrangement as being prejudiced. The store carries a large selection of literature and poetry, but it separates some specialty categories, such as African American literature, gay and lesbian literature, and feminist literature, from the general literature and poetry sections. In part, this arrangement reflects Border's college town

roots in Ann Arbor, Michigan, where specialty collections were established to match course offerings.

The article described this arrangement as "ghettoizing" authors who were not white males, though some female authors were in the general literature and poetry sections. The article and some follow-up letters to the newspaper's editor derided Borders for the few "non-traditional" authors who made it into the general literature collection.

They felt that these African American, homosexual, Native American, and other non-traditional writers probably would not have been separated from the general collection had the management known the literature better. While Madison is known as a very liberal community, Chaim thought the accusation was unfair. He strongly believed that he was doing his customers a service in highlighting authors and literary genres that might be overlooked in a large, non-differentiated collection. More immediately, he knew that he should respond to the article's accusation.

Questions

1. Although Chaim has several options, one is to duplicate the titles that could be shelved in either the general literature section or in a speciality collection. What are the advantages and disadvantages of this tactic?
2. The Borders store described in this case is in a college town. How the merchandise should be arranged in a different location, such as a suburban residential location or a more urban setting.
